



Commonwealth of Massachusetts State Ethics Commission

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SUFFOLK, ss.

COMMISSION ADJUDICATORY
DOCKET NO. 450

IN THE MATTER OF WILLIAM BUTTERS

DISPOSITION AGREEMENT

This Disposition Agreement (Agreement) is entered into between the State Ethics Commission (Commission) and William Butters (Mr. Butters) pursuant to §5 of the Commission's Enforcement Procedures. This Agreement constitutes a consented to final Commission order enforceable in the Superior Court pursuant to G.L. c. 268B, §4(j).

On February 19, 1992, the Commission initiated a preliminary inquiry into possible violations of the conflict of interest law, G.L. c. 268A, involving Mr. Butters, a Norwood Selectman. The Commission concluded that inquiry and, on July 14, 1992, found reasonable cause to believe that Mr. Butters violated G.L. c. 268A.

The Commission and Mr. Butters now agree to the following findings of fact and conclusions of law:

1. At all times relevant to this matter, Mr. Butters was a selectman of the Town of Norwood. Mr. Butters served as a Norwood selectman from 1971 to 1977 and from 1980 to the present. Mr. Butters was, therefore, during the period here relevant, a municipal employee as defined in G.L. c. 268A, §1(g).
2. Mr. Butters' son, Paul Butters, has been a Norwood firefighter at all times relevant to this matter.
3. The Norwood firefighters serve pursuant to successive contracts with the town. The firefighter contracts are negotiated by town counsel and the firefighters' union. Mr. Butters has not been involved in these negotiations.
4. On December 12, 1989, at a regular selectmen's meeting, the selectmen, including Mr. Butters, unanimously approved and signed the firefighter contract. The contract raised Paul Butters' salary \$1,682.76.
5. On June 12, 1990, at a regular selectmen's meeting, Mr. Butters seconded the motion to approve a new fire department contract. The selectmen unanimously approved the contract. The contract raised Paul Butters' salary \$2,481.^{1/}
6. On June 14, 1990, the town meeting approved the fire department contract. Shortly thereafter, however, a referendum petition was initiated to overturn the town meeting vote approving the fire department contract and other municipal employee contracts.
7. On July 2, 1990, at a regular selectmen's meeting, Mr. Butters participated extensively in a discussion concerning whether to call for a referendum on the municipal employee contracts. The selectmen split 2-2 on the motion, with Mr. Butters voting against holding the referendum.
8. On August 21, 1990, at a regular meeting, the selectmen, including Mr. Butters, again unanimously approved and signed the firefighter contract.
9. Except as otherwise permitted, §19 of G.L. c. 268A prohibits a municipal employee from participating as such an employee in a particular matter in which to his knowledge his immediate family has a financial interest.^{2/}

10. The fire department contracts were particular matters as that term is defined in G.L. c. 268A, §1(k).
11. As a firefighter, Mr. Butters' son had a financial interest in the approval of the contracts. At all relevant times, Mr. Butters was aware of that financial interest.
12. Mr. Butters participated in the fire department contracts by voting in favor of and signing the fire department contracts in both 1989 and 1990, and by voting against holding the referendum on the contract in 1990.
13. By acting as described, Mr. Butters participated in matters in which to his knowledge his son had a financial interest. Therefore, Mr. Butters violated §19.
14. Mr. Butters held a Norwood liquor license for South Norwood Pharmacy, Inc. from 1987 to 1991. The South Norwood Pharmacy is owned and operated by Butters' immediate family. Butters serves as an employee of the corporation.
15. Mr. Butters, as a selectman, signed the following liquor license renewal applications or renewal licenses:
 - a. in 1988, his and six competitors' licenses and applications;
 - b. in 1989, his and five competitors' licenses;
 - c. in 1990, one competitor's license; and
 - d. in 1991, six competitors' applications.^{3/}
16. The decisions of the board of selectmen to approve the above liquor licenses were particular matters.
17. Mr. Butters' association with^{4/} and his immediate family's ownership of South Norwood Pharmacy, Inc. gave him and his family a financial interest in the above liquor license matters. At all times relevant herein, Mr. Butters was aware of those financial interests.
18. Mr. Butters participated in the liquor license process by signing the application and licenses of South Norwood Pharmacy, Inc. and those of his competitors from 1988 through 1991, as described above.
19. By acting as just described, Mr. Butters participated as a selectman in matters in which to his knowledge he and his immediate family had a financial interest. Therefore, Mr. Butters violated §19.^{5/}

Based on the foregoing facts, the Commission has determined that the public interest would be served by the disposition of this matter without further enforcement proceedings on the basis of the following terms and conditions agreed to by Mr. Butters:

1. that he pay to the Commission the amount of one thousand dollars (\$1,000.00) as a civil fine for violating G.L. c. 268A, §19 by participating as a selectmen in matters in which his firefighter son had a financial interest;
2. that he pay to the Commission the amount of five hundred dollars (\$500.00) as a civil fine for violating G.L. c. 268A, §19 by participating as a selectmen in liquor license matters in which he had a financial interest;
3. that Mr. Butters will act in conformance with the requirements of G.L. c. 268A in his future conduct as a municipal employee; and
4. that Mr. Butters waive all rights to contest the findings of fact, conclusions of law and terms and conditions contained in this Agreement in this or any related administrative or judicial proceeding to which the Commission is or may be a party.

Date: September 9, 1992

^{1/}Paul Butters was treated the same as all other firefighters holding the same position under both the December 12, 1989 and June 12,

1990 contracts.

²None of the exceptions in §19 is relevant here.

³Although Mr. Butters abstained from liquor license hearings citing his holding of a liquor license as the rationale, Mr. Butters improperly invoked the Rule of Necessity at a December 15, 1987 selectmen's meeting and affirmatively voted for a competitor's liquor license transfer.

⁴Section 19 also prohibits a municipal employee from participating in a particular matter in which a business organization for which he is an employee, officer or director has a financial interest.

⁵The statute covering the aforementioned liquor licenses, G.L. c. 138, §16A, provides that a license will be renewed absent a showing of cause not to, but as a practical matter, selectmen can refuse to grant renewals, even without cause, requiring licensees to appeal the denials. The Commission has found that selectmen who participate in such liquor license renewals when they have a financial interest violate §19. *In re Lavoie*, 1987 SEC 286.